Diese Website verwendet Cookies von Google, um Dienste anzubieten und den Traffic zu analysieren. Deine IP-Adresse und dein User-Agent werden zusammen mit Messwerten zur Leistung und Sicherheit für Google freigegeben. So können Nutzungsstatistiken generiert, Missbrauchsfälle erkannt und behoben und die Qualität des Dienstes gewährleistet werden.

WEITERE INFORMATIONEN OK

An unending variety of topics

Sunday, October 03, 2010

Signals, gifts, and politics

(I recently rediscovered this old post of mine and thought it deserved re-posting).

Paraphrasing Robin Hanson from a recent podcast: *"In gifts, it's common signals of quality that matter, not private signals of quality."*

Robin Hanson has a great theory for why neoclassical economics so often fails to explain human relationships and institutions, especially personal relationships. Why, he asks for example, do guests bring wine to dinner at an acquaintance's home instead of paying cash, like they would at a restaurant? Traditional economics cannot explain such basic things.

Instead Robin posits, building on the work of previous economists and evolutionary psychologists, that signaling dominates most of our relationships and many of our institutions. In other words, much of our behavior is used to signal, or prove by our behavior, to our fellows our intelligence, empathy, status, and so on. In the hunter-gatherer environments in which our genes evolved, such relationships were far more impportant to our genetic success than any other aspects of our environment. Thus our behaviors are dominated by the signals that would have most advantageously (for our genes) developed our relationships in that environment.

The general theory is sound -- I've held a version of it for quite a long time -- but many of the conclusions he draws from this theory, such as the above quote about gifts, are quite questionable. The thoughtful gift, namely the gift that is targeted towards the recipient's unique preferences, is widely welcomed as the best kind of gift. "It's the thought that counts" may be a cliche and an exaggeration, but it nevertheless carries substantial truth. The thoughtful gift signals our intelligence, our empathy, and the fact that those skills are being used in favor of the gift recipient.

This (and a second theory described below) explains far better than Robin does why cash makes such a bad gift. A gift or exchange like bringing wine to dinner provides the opportunity to signal that one has remembered the dinner menu, and often also signals that one knows the hosts' wine preferences. Cash by sharp contrast is the most thoughtless gift. Cash is suitable only for contractual dealings with strangers; it is worse than useless for developing relationships.

Gift cards exhibit a modicum more empathy than cash (you have to know your pal likes Starbucks), but prior generations who put more effort into relationships considered gift certificates to be rather rude as a personal gift: they were only considered suitable as, for example, a substitute for a cash wage bonus. Today, like "friends" links on Facebook, gift cards signal a modicum of passing fancy which substitutes for the many closer relationships and more thoughtful gifts that most of our forebears enjoyed.

Pages

- Home

About Me

Nick Szabo

"A premier thinker about history, law and economics, and the lessons they have for security." -- Adam Shostack, Emergent Chaos

"Szabo comes out with these essays that leave me in awe." -- Brian Dunbar

"Reading material that is eclectic, challenging and endlessly fascinating." -- Sean McGrath, Propylon

"Like most blogs worth my attention, this blog is updated only infrequently. That is because the authors of blogs worth my attention only post when they have something to say that is true, relevant and not already known by their audience. Most of the human race does not have the skill to know when an idea has these three properties. The skill is particularly rare in the fields of politics and economics, which is why this blog is such a rare and valuable thing." -- Richard Hollerith

View my complete profile

A second reason that cash makes such a poor gift is that it provides a very poor emotional and sensory experience. Most signals, as at least indirect products of evolution, are targeted at our emotions far more than they are targeted at the intellect. A good wine, for example, will be experienced far more fondly and thus remembered far longer than a dirty dollar bill. The most common signals also tend to signal emotional states or skills (e.g. empathy) far more than intellectual ones.

Per Friedrich Hayek, this emotional infrastructure breaks down when we are dealing with strangers -- in those cases contractual relationships and "filthy lucre" are far more efficient and effective ways of relating. But the cold natures of these transactions, i.e. the fact that these relationships are divorced from the emotional signals evolution has wired us to expect, explains much of the political resistance to markets with their "filthy lucre", "greed", etc. Merchants, property, contracts, and so on are crucial to our modern economy, but they send the wrong emotional signals to our hunter-gatherer brains.

Most politics, and in particular the pathologies of politics, are themselves about instinctive signaling -- for example signaling tribal loyalty on the right, or signaling altruistic natures on the left. Most political ideologies freely and fraudulently ignore the crucial distinction between friend and stranger: in the world of political signaling we are supposed to care as much about the vast anonymous "poor" as we do about our own children who we well know to be helpless, and we are supposed to be loyal to a vast country of hundreds of millions of strangers (including more than a few very strange strangers) as if they were all familiar kin. In both cases, these are largely fake signals that don't cost the fraudulent signaler very much: the right-winger does not actually have to be patriotic, and the left-winger does not actually have to be altruistic, and in both cases they usually are not. Few of the children of hawk Congressmen served in the Iraq War, and Barack Obama has given only a miniscule portion of his income to charity. But they are very good at making the politically correct noises that most humans emotionally expect to hear. Thus left-wingers can get great social mileage from calling right-wingers "greedy", meaning that right-wingers are failing to send enough altruistic signals, and right-wingers can get great social mileage from calling left-wingers "unpatriotic." People who, due to real altruism, care more about the actual consequences of political policies than about sending the proper social signals to their peers, usually end up being called both "greedy" and "unpatriotic" in the bargain.

Posted by Nick Szabo at 4:33 PM

1 comment:

generalissimo said...

This "real altruism" sounds a bit like Robin's "smart sincere syndrome." Perhaps you and Robin are just meta-signaling that you are, so you would have us believe, a higher class of altruist?

5:50 PM

Post a Comment

Newer Post Home Older Post

Subscribe to: Post Comments (Atom)

Blog Archive

- ► 2018 (1)
- ► 2017 (3)
- ► 2016 (4)
- ► 2015 (3)
- ► 2014 (3)
- ► 2013 (3)
- ► 2012 (8)
- ► 2011 (12)
- ▼ 2010 (9)
  - ► December (1)
  - ▼ October (4)
    - Malthus and capital
    - Elements, evolution, and the nitrogen crisis
    - Petrus Sabbatius comes to power
    - Signals, gifts, and politics
  - ► September (2)
  - ► February (2)
- ► 2009 (29)
- ► 2008 (55)
- ► 2007 (47)
- ► 2006 (130)
- ► 2005 (44)

Simple theme. Powered by Blogger.